Indebtedness of farmers

*120. SHRI T.T.V. DHINAKARAN: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that the amount of outstanding loans per farm household in some States far exceed the national average;

(b) if so, the details thereof; and

(c) the steps taken to reduce the indebtedness of farmers in these States?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) and (b) As per the National Sample Survey Organization (NSSO) Report No. 498 on "Indebtedness of Farmer Households" released in May, 2005, the national average amount of loans outstanding per farmer household is Rs. 12585/-. The average loan outstanding per farmer household varied widely from State to State. The averages for the following ten States exceeded the national average:

States	Average loan outstanding (Rs.)
Punjab	41,576
Kerala	33,907
Haryana	26,007
Andhra Pradesh	23,965
Tamil Nadu	23,963
Rajasthan	18,372
Karnataka	18,135
Maharashtra	16,973
Gujarat	15,526
Madhya Pradesh	14,218
All India	12,585

(c) To reduce the dependence of farmers on private moneylenders and for providing relief to the indebted farmers, the Government has taken several steps and has advised the banks as follows:—

1. To increase credit flow to agriculture sector at the rate of 30% per year.

2. As a part of the farm credit package announed by the Government of India in June, 2004, guidelines have been issued by the Reserve Bank of India (RBI)/National Bank for Agriculture & Rural Development (NABARD) for providing certain debt relief measures to the farmers as detailed below:—

- **Farmers in distress** - Rescheduling/restructuring of the outstanding loan of the farmers as on 31st March, 2004 in the districts declared as calamity-affected by the State Government. Rescheduled loan shall be repayable over a period of five years, at current interest rates, including an initial moratorium of two years.

- **Farmers in arrears** - Loans in default of farmers who have become ineligible for fresh credit as their earlier debts have been categorized as sub-standard or doubtful shall be rescheduled as per the guidelines so that such farmers become eligible for fresh credit.

  On restructuring as above, the farmers will become eligible for fresh loans.

- Banks have been advised to grant a one-time settlement (OTS) including partial waiver of interest or loan to the small and marginal farmers who have been declared as defaulters and have beome ineligible for fresh credit. Banks have also been advised to review cases where credit has been denied on the sole ground that a loan account was settled through compromise or write offs.

- In some parts of the country, farmers face acute distress because of the heavy burden of debt from non-institutional lenders *(e.g.* private moneylenders). Banks have been permitted to advance loans to such farmers to enable them to come out of the informal sources and have access to credit from the banking system.

3. The banks have been advised to waive margin/security requirements for agricultural loans up to Rs. 50,000 and for agri-business & agri-clinics loans up to Rs. 5 lakh.

4. All the Public Sector banks have been advised to reduce their lending

rate for agriculture to a single digit rate of note more than 9% per annum on crop loans upto a ceiling of Rs. 50,000/-. This rate will benefit most of the crop loan account holders and will cover almost all the small and marginal farmers.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Plantation of Jatropha and Karanja

558. SHRI S.S. AHLUWALIA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether National Oilseed and Vegetable Oils Development Board (NOVOD) has initiated programme for plantation of Jatropha curcas and Karanja for bio-diesel production in various States and Union Territories;

(b) if so, the details of the programme;

(c) whether the programme is being implemented in Jharkhand and Bihar also;

(d) if so, the details of infrastructure set up/proposed to be set up particularly for identification of suitable lands, dissemination of education/ training to the farmers, raising awareness, etc. in the said two States; and

(e) the details of land area presently covered under Jatropha/Karanja cultivation and potential expansion thereof during the next five years in those States?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (b) The National Oilseeds and Vegetable Oils Development Board has initiated the programme for plantation of Jatropha curcas and Karanja for bio-diesel production in various States and the Union Territories.

The National Oilseeds and Vegetable Oils Development Board has sanctioned programmes for plantation of Jatropha in 8410 hectares and Karanja in 875 hectares in different States during 2004-05. Similarly, 1200 hectares of Jatropha plantation has been sanctioned for the States of